

## **LOWER BOISE RIVER EFFLUENT TRADING DEMONSTRATION PROJECT**

### **Draft Permit Outline for PS-PS Upstream Trades**

09/18/00

*This example is for a point source discharger that is buying phosphorus credits from another point source discharger located on the same river, and upstream of its facility.*

### **AUTHORIZATION TO TRADE**

The permittee is authorized to trade pursuant to the requirement in \_\_\_\_\_ (the document that the trading language is housed in), and the conditions contained within this section of the permit.

### **POINT SOURCE BASE EFFLUENT LIMITATIONS**

Base Phosphorus Effluent Limit. The NPDES permit will contain an average monthly and an average weekly base phosphorus effluent limit. (The base limits will be derived from the wasteload allocation contained in the TMDL for the Lower Boise River and its tributaries).

### **PHOSPHOROUS DISCHARGE REDUCTIONS, CREDITS AND INCREASES**

Voluntary Reductions of Permittee's Phosphorous Effluent Limit, and Generation of Credit. The Permittee may voluntarily reduce its base phosphorous effluent limit by a particular amount for a particular calendar month. *This creates a "credit" that may be transferred to another party downstream of its facility.*

Voluntary Reductions of Other Point Source's Phosphorous Effluent Limit, and Generation of Credit. *A point source that is an NPDES permittee, and is located upstream from the permittee, may voluntarily reduce its base phosphorous effluent limit by a particular amount for particular calendar month. This creates a "credit" that may be transferred to this Permittee.*

Increase of Point Source Effluent Limit by Receiving Transferred Credit. The permittee may increase its phosphorous effluent limit by receiving the transfer of a credit, *generated by a point source that is an NPDES permittee discharging upstream of the permittee's outfall.*

### **AMOUNTS OF REDUCTIONS, CREDITS AND INCREASES**

Reduction Amount -- Point Sources. The amount of a point source's reduction is the amount by which the point source voluntarily reduces its phosphorous effluent limit below its base effluent limit for a given

calendar month.

River Location Ratios for Sources. Each source, including the permittee, is subject to a particular river location ratio. River location ratios will be contained in \_\_\_\_\_ [and an appendix to the permit], and subject to that document's notice, comment, review, and approval requirements. The permittee's river location ratio is \_\_\_\_.

Credit Amount ("Parma Pounds"). The amount of the transferrable credit that arises from a point source reduction is expressed in terms of "Parma Pounds", and is determined by multiplying the amount of the reduction by the source's location ratio.

Effluent Limit Increase Amount. If a credit is transferred to the permittee, then the amount by which the permittee's phosphorous effluent limit increases is the amount of the credit (in Parma Pounds) divided by the permittee's location ratio.

## **TIMING OF REDUCTIONS, CREDITS AND INCREASES**

*Time Period of Credit Based on Point Source Reduction. In the case of a credit based on an effluent limit reduction by another permitted point source, the time period associated with the credit is the calendar month(s) of the other point source's effluent limit reduction.*

Effective Time Period of Effluent Limit Increase Resulting from Trade. If a credit is transferred to the Permittee, the resulting increase in the Permittee's base phosphorous effluent limits are only effective during the time period associated with the credit.

## **RESTRICTIONS ON ALLOWABLE TRADES**

Localized Impacts. [See note at end of document]

No Duplicative Ownership of Credits. The permittee may only increase its effluent limit based on credits that are not held by any other trading participant at the credit transfer deadline [to be defined].

## **PROCEDURAL REQUIREMENTS TO TRANSFER A CREDIT**

Procedure for Transferring Credit. To create a valid transfer of a credit, the transferor and transferee must complete a trade notification form in substantially the same form as the attached example. At a minimum, the form must contain:

- Transferee:
  - Name
  - NPDES permit number
  - Name and telephone number of authorized representative
- Transferor:
  - Name
  - NPDES permit number (if applicable)
  - Name and telephone number of authorized representative
- Credit Transferred:
  - Amount of Credit (in Parma Pounds)
  - Month of Credit
- Certifying statement that indicates the transferee's understanding of the order in which credits are transferred in the record-keeping system.
- Dated signatures of transferee's and transferor's representatives

Recordkeeping System. No trade is valid unless it is recorded in a single trade tracking system that records all trades, and which generates a monthly summary of all trades valid for that calendar month, in substantially the same form as the attached example. The recordkeeping system must have the capability of ensuring that a particular credit is not held by more than one trading participant at a time. The trade notification form must be submitted by the credit transfer deadline in order for it be recorded in the recordkeeping system in time for it to be reported in the monthly trade summary.

## **REPORTING AND RECORDKEEPING REQUIREMENTS**

Reporting Trades by NPDES Permit Holders to EPA. The Permittee shall submit to EPA, along with its discharge monitoring report (DMR), the trade summary described above for the period covered by the DMR. On each DMR, for the applicable reporting month the Permittee shall report (A) its actual discharge; (B) the total amount of credits (in Parma Pounds) that it obtained through transfers from other parties, as shown on the trade summary submitted with the DMR; (C) the total amount of credits (in Parma Pounds) that it created through voluntary effluent limit reductions and transferred to another party, as shown on the trade summary submitted with the DMR; (D) its location ratio; and (E) its "adjusted discharge", which is equal to  $A - B/D + C/D$ .

DMRs shall be submitted to EPA. Monitoring results shall be summarized each month on the Discharge Monitoring Report (DMR) form. The reports shall be submitted monthly and are to be postmarked by the 20th day of the following month.

Recordkeeping. The Permittee shall retain all records pertaining to the transfer of any credits that it generates or obtains, including all monitoring information. The Permittee shall submit these records to EPA or IDEQ upon request.